

806 KAR 9:310. Life settlement broker license and notification.

RELATES TO: KRS 304.15-020, 304.15-700-304.15-725

STATUTORY AUTHORITY: KRS 304.2-110(1), 304.15-700(2)(a), (b), 304.15-720

NECESSITY, FUNCTION, AND CONFORMITY: EO 2008-507, signed June 6, 2008, created the Department of Insurance, headed by the Commissioner of Insurance. KRS 304.2-110(1) authorizes the Executive Director of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code as defined in KRS 304.1-010. KRS 304.15-700(2)(a) requires the executive director to promulgate administrative regulations to provide for the licensing of life settlement brokers and the termination or revocation of the license. KRS 304.15-720 authorizes the executive director to promulgate administrative regulations to implement KRS 304.15-700 to 304.15-720 and to establish appropriate requirements and fees for a life settlement broker license and for notifying the executive director that an individual licensed as a life insurance agent is acting as a life settlement broker. This administrative regulation establishes the information to be included in the application for, the requirements for the issuance and continuation of, and the fees for a viatical settlement broker license and notification.

Section 1. Definitions. (1) "Commissioner" means the Commissioner of the Department of Insurance.

(2) "Department" means the Department of Insurance.

(3) "Life settlement broker" is defined in KRS 304.15-020(8).

Section 2. Individual Applicant. (1) An individual may be issued a life settlement broker license if the commissioner determines that the applicant:

(a) Is at least twenty-one (21) years of age;

(b) Has completed a forty (40) hour life settlement prelicensing course of study, which has been approved by the executive director in accordance with 806 KAR 9:001;

(c) Has passed a life settlement examination in accordance with 806 KAR 9:070;

(d) Submits:

1. Electronically, a completed Individual Uniform Application prescribed by the National Association of Insurance Commissioners and available on the National Insurance Producer Registry's Web site: www.NIPR.com; or

2. Form 8301, incorporated by reference in 806 KAR 9:340;

(e) Submits Form 8301-BGC, incorporated by reference in 806 KAR 9:340;

(f) Remits the nonrefundable fee of \$250;

(g) Submits Form CPL-01, incorporated by reference in 806 KAR 9:340;

(h) Provides proof of financial responsibility in the amounts established in KRS 304.15-700(5) and in accordance with 806 KAR 9:210; and

(i) If using an assumed name, provides certified copies of certificates required in accordance with KRS 365.015.

(2) An individual notifying the commissioner that he or she is acting as a viatical settlement broker in accordance with KRS 304.15-700(2)(b) shall:

(a) Be exempt from the prelicensing course of study required by subsection (1)(b) and the examination required by subsection (1)(c) of this section;

(b) Submit electronically, a completed Individual Uniform Notification prescribed by the National Association of Insurance Commissioners and available on the National Insurance Producer Registry's Web site: www.NIPR.com;

(c) Remit the nonrefundable fee of \$250;

(d) Provide proof of financial responsibility in the amounts established in KRS 304.15-700(2)(d) and in accordance with 806 KAR 9:210; and

(e) If using an assumed name, provide certified copies of certificates required in accordance with KRS 365.015.

Section 3. Business Entity Applicant. (1) A business entity may be issued a life settlement broker license if the commissioner determines the applicant has designated only individuals acting for, or authorized to act for, the business entity in accordance with KRS 304.9-133.

(2) A business entity applying for a life settlement broker license shall:

(a) Submit:

1. Electronically, a Uniform Business Entity Application prescribed by the National Association of Insurance Commissioners and available on the National Insurance Producer Registry's Web site: www.NIPR.com; or

2. Form 8301 - BE, incorporated by reference in 806 KAR 9:340;

(b) Remit the nonrefundable fee of \$750;

(c) Provide proof of financial responsibility in the amounts established in KRS 304.15-700(5) and in accordance with 806 KAR 9:210; and

(d) Provide the following documentation, as applicable:

1. Certificate of authority from the Kentucky Secretary of State;

2. Documentation supporting the applicant's answers on the application; and

3. If using an assumed name, certified copies of certificates required in accordance with KRS 365.015.

Section 4. Renewal and Continuation of License. (1) Each life settlement broker license shall continue in force and renew in accordance with KRS 304.9-260. The renewal fee shall be nonrefundable and in the amount as follows:

(a) \$250 for an individual licensee; or

(b) \$750 for a business entity licensee.

(2) A licensed life settlement broker and an insurance agent authorized to operate as a life settlement broker in accordance with KRS 304.15-700(2)(b) and Section 2(2) of this administrative regulation shall notify the Department of Insurance in writing within thirty (30) days of any change to the information in the application, notification, or in the documents required to be submitted in accordance with Section 2 or 3 of this administrative regulation.

Section 5. Continuing Education. (1) An individual licensed as a life settlement broker and an insurance agent authorized to operate as a life settlement broker in accordance with KRS 304.15-700(2)(b) and Section 2(2) of this administrative regulation shall complete twenty-four (24) hours of office-approved continuing education in accordance with KRS 304.9-295.

(2) The required continuing education hours shall include a minimum of:

(a) Three (3) hours in life insurance;

(b) Three (3) hours in life settlements; and

(c) Three (3) hours in ethics.

(3) The same hours may be credited towards the individual's continuing education requirements for the life settlement broker license and the applicable agent license, if any. (27 Ky.R. 3190; Am. 28 Ky.R. 81; eff. 7-16-2001; 29 Ky.R. 1364; eff. 1-16-2003; 32 Ky.R. 323; 909; 2013; eff. 6-2-06; 35 Ky.R. 1912; eff. 5-1-09.)